

Message Text

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PAGE 01 LA PAZ 05848 262118Z

ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 SSO-00 /027 W

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 6401

UNCLAS LA PAZ 5848

E.O. 11652: N/A

TAGS: EGEN, BL

SUBJ: EXIMBANK FINANCING FOR SANTA CRUZ COTTON SPINNING MILL

REF: (A) STATE 171584, (B) LA PAZ 4907,

1. ACCORDING TO THE COMITE DE OBRAS PUBLICAS DE SANTA CRUZ, AND AS REPORTED IN REF (B), THE COTTON SPINNING MILL WILL USE APPROXIMATELY THIRTY PER CENT OF THE COTTON PRODUCED IN BOLIVIA. FOLLOWING A TREMENDOUS INCREASE IN COTTON PLANTINGS DURING THE CROP YEARS 1970-71 (90 PERCENT), 1971-72 (43 PER CENT), AND 1973-74 (78 PER CENT), COTTON PRODUCTION HAS DECLINED, WITH GOVERNMENT ENCOURAGEMENT, TO A LEVEL MORE NEARLY JUSTIFIED BY MARKET CONDITIONS. THE COMITE IS CONFIDENT THAT FUTURE MARKET CONDITIONS WILL NOT BRING ABOUT A DECLINE IN PRODUCTION WHICH WOULD JEOPARDIZE THE MILL'S SOURCE OF RAW MATERIAL. IN VIEW OF THE FACT THAT THIS PROJECT HAS THE APPROVAL OF THE GOVERNMENT AND THAT FINANCING FOR THE MILL WILL BE GUARANTEED BY THE CENTRAL BANK, THE COMITE ALSO CLAIMS TO BE CERTAIN THAT THE GOVERNMENT WILL NOT SEEK TO REDUCE COTTON PRODUCTION BELOW LEVELS REQUIRED TO SUPPLY RAW MATERIAL TO THE MILL.

2. COMITE REPRESENTATIVES HAVE TOLD COMATT THAT THE PRIMARY FOREIGN MARKET FOR THE MILL'S OUTPUT WILL BE WESTERN EUROPE. THEY STATE THAT BOLIVIA WILL BE AWARDED A PART OF THE PREFERENTIAL QUOTA ACCORDED TO ANDEAN PACT COUNTRIES, AND THEY CLAIM THAT 3,000 TONS OF THE PLANTS PRODUCTION
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WILL BE ALLOWED ACCESS TO THE EEC MARKET UNDER THIS SYSTEM. COMITE SPOKESMEN ADMIN, HOWEVER, THAT NO SPECIFIC AGREEMENT HAS BEEN REACHED DEFINING THE VOLUME OF BOLIVIAN COTTON YARN EXPORTS TO THE EEC. OUTPUT NOT SOLD IN WESTERN EUROPE IS EXPECTED MARKETED IN THE ANDEAN PACT AND IN BOLIVIA.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CREDIT GUARANTEES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LAPAZ05848
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770266-1109
Format: TEL
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770719/aaaaaqcx.tel
Line Count: 61
Litigation Code IDs:
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Message ID: d1ed0d64-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Type: TE
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